

# **The California Economy in 2010 and 2011: Picking Up the Pieces**

**EDD Workforce Development**

**Sacramento, California**

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**Howard Roth**

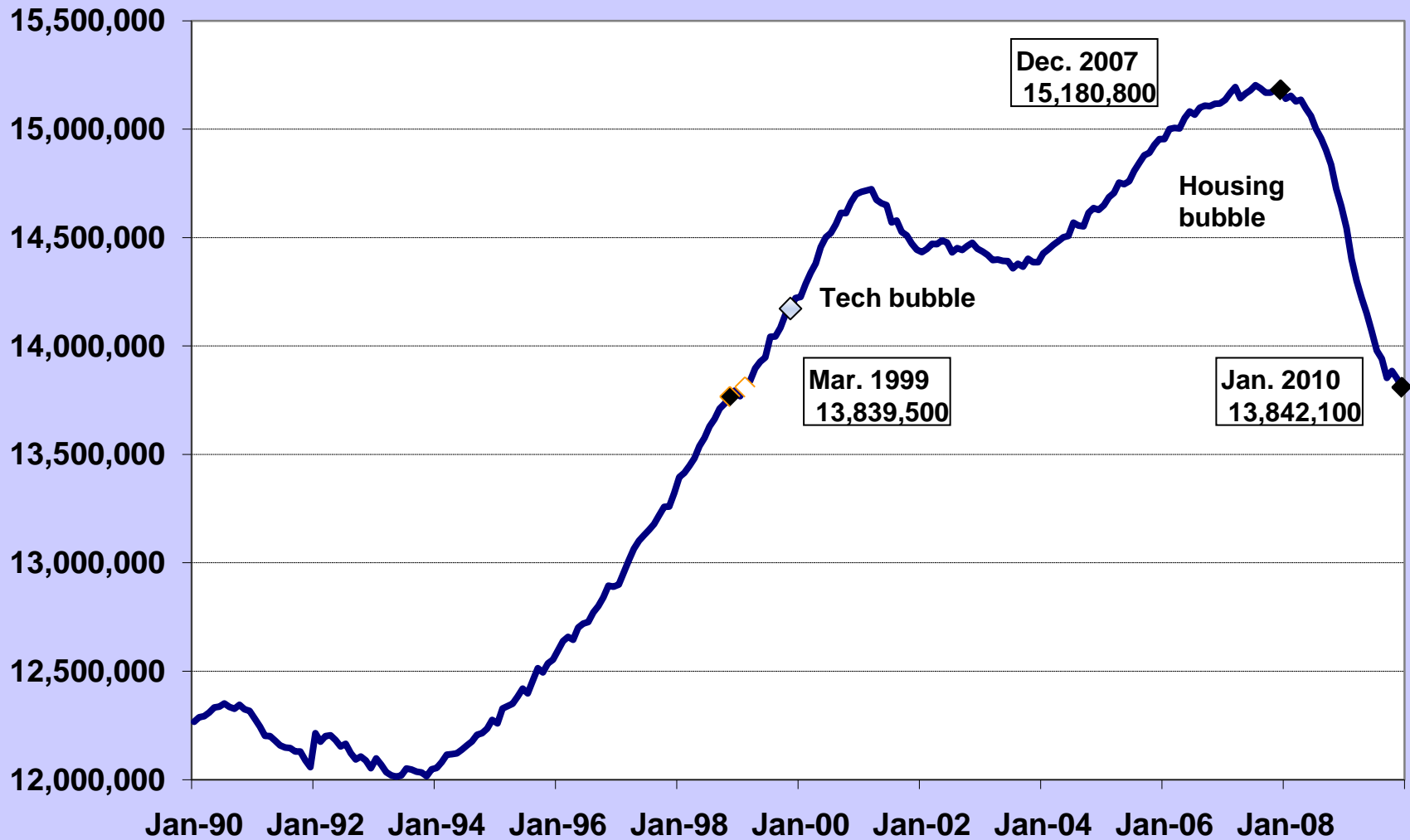
**Chief Economist**

**California Department of Finance**

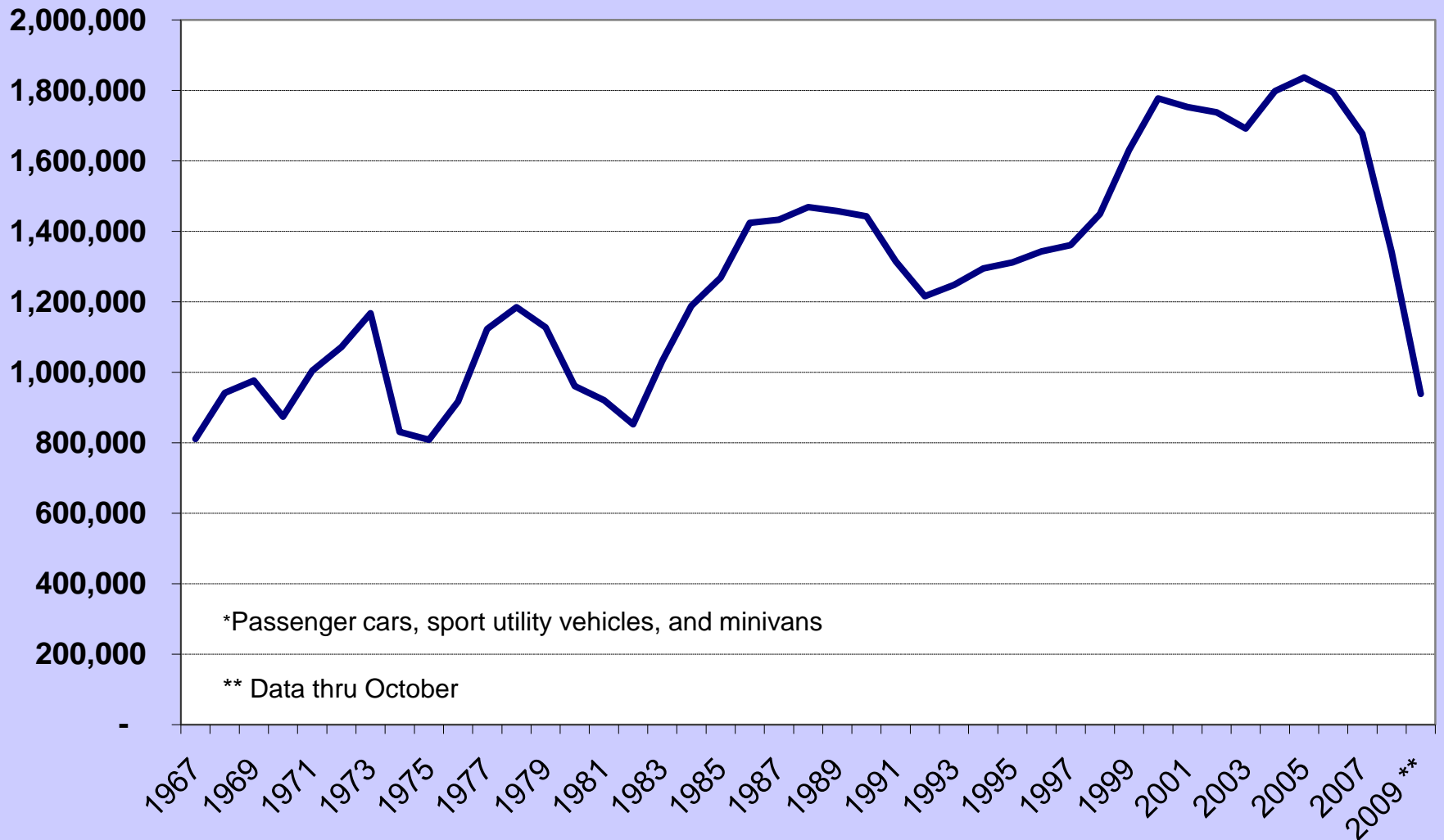
# Overview

- The recession may well be over, but the toll has been terrific.
- Employment continues to fall, and the number of unemployed people remains very high.
- The recovery will likely be long.
- Major risks to the outlook:
  - That regulation of the financial sector will not be adequately strengthened.
  - Another wave of less-than-prime mortgages is on the way.

# California Nonfarm Payroll Employment

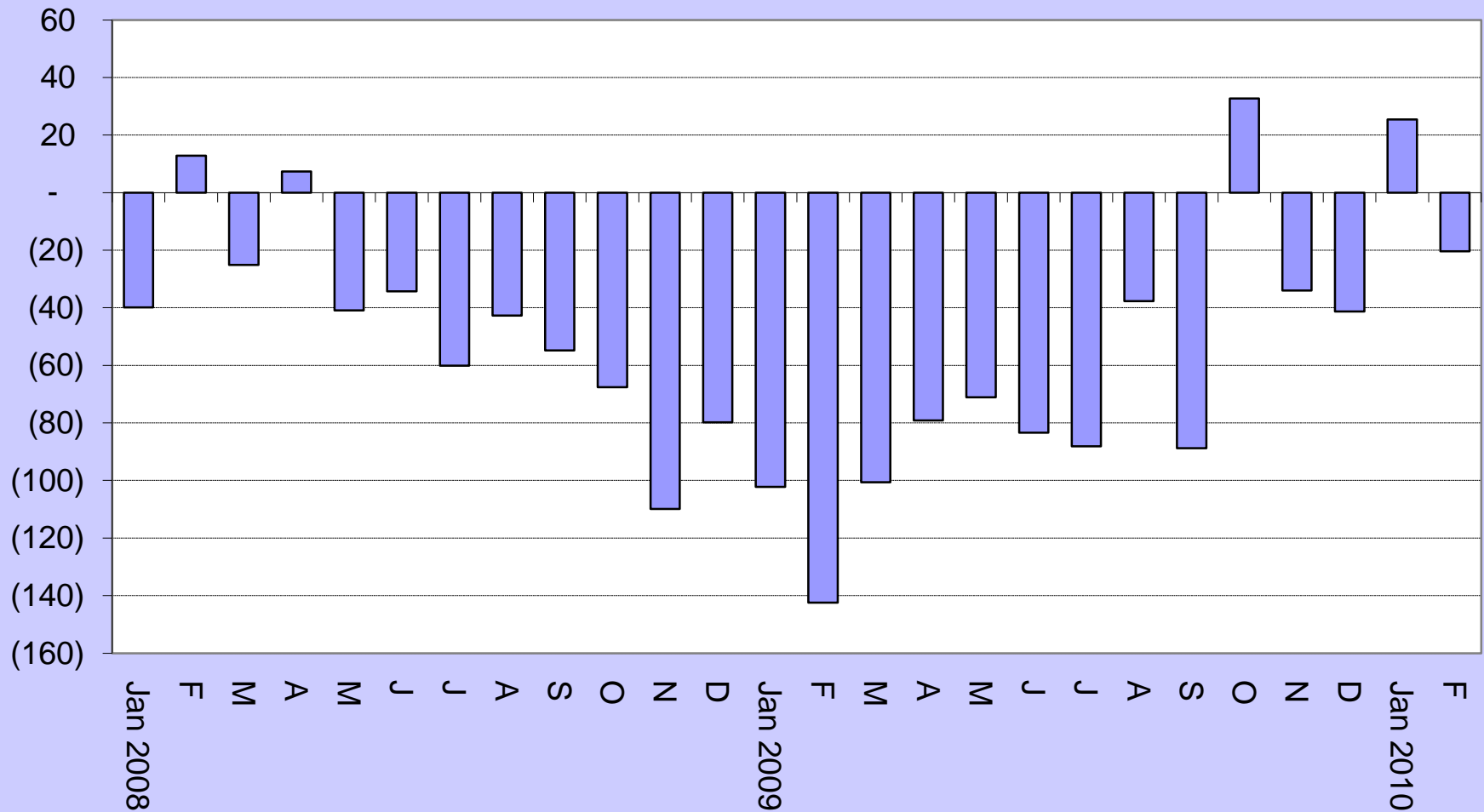


## Number of Vehicle Registrations\*



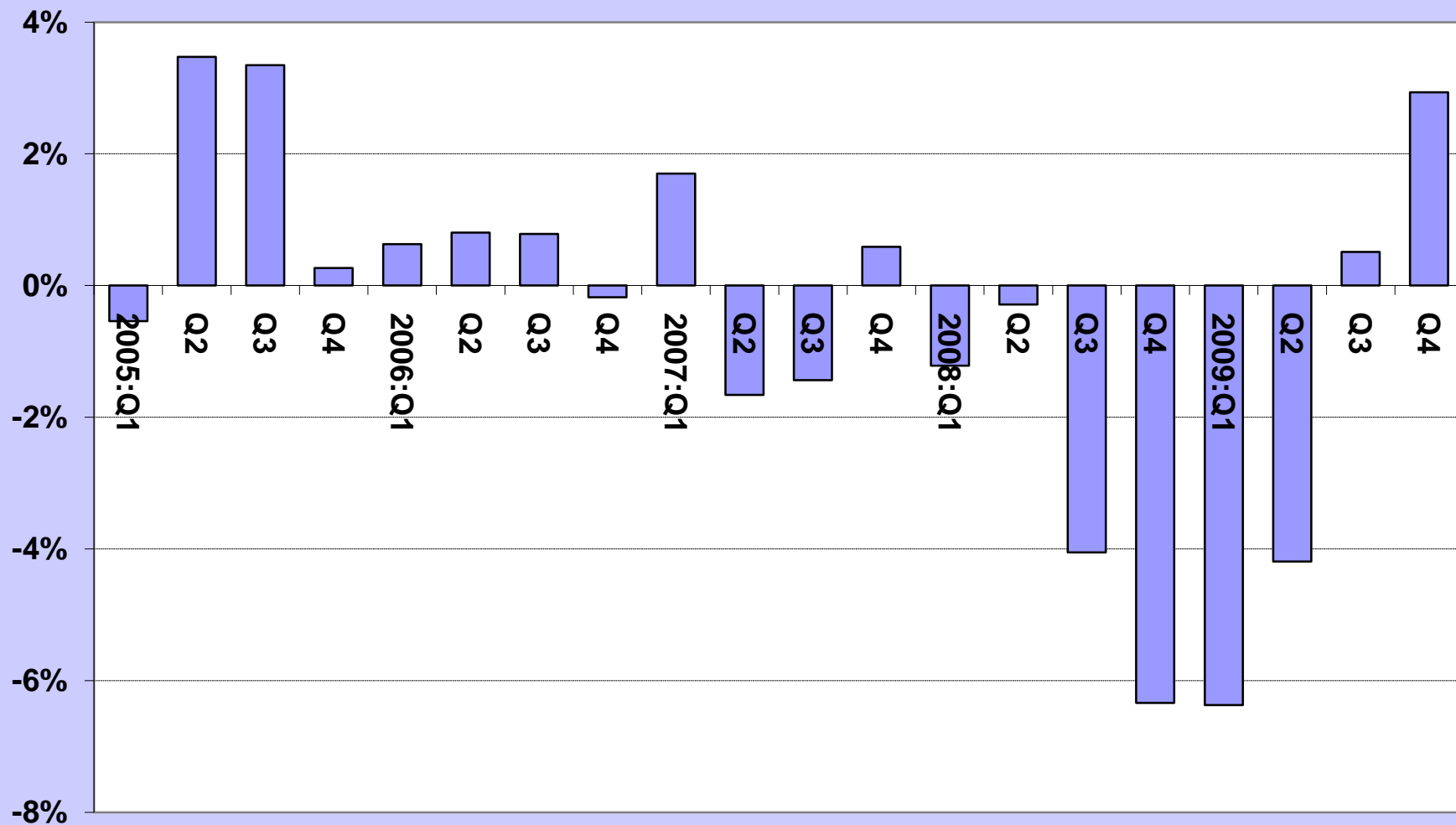
# Month-to-Month Change in California Employment

## 1,000s of Nonfarm Jobs, Seasonally Adjusted



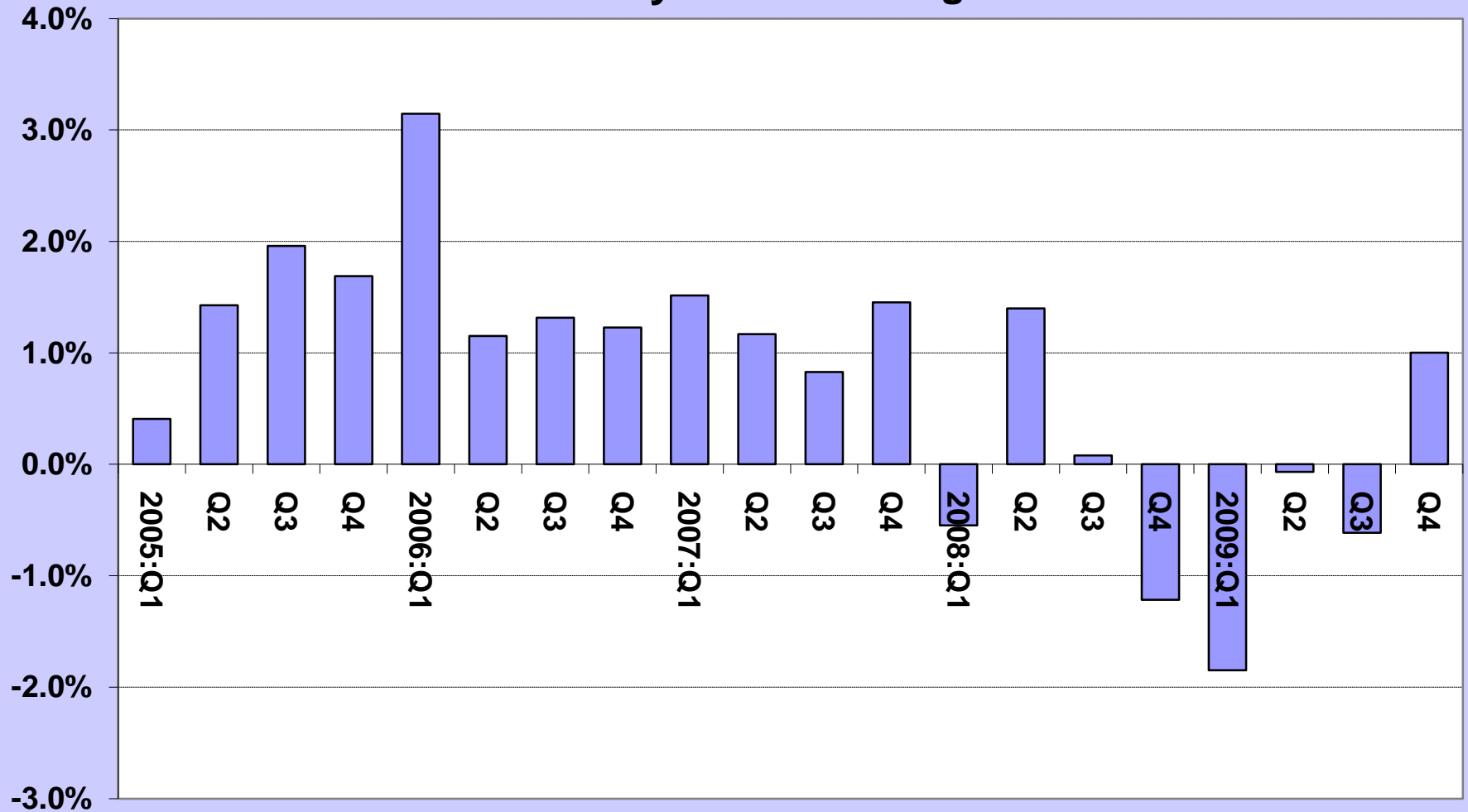
Source: California Employment Development Department

## California Taxable Sales, Seasonally Adjusted Quarterly Percent Change



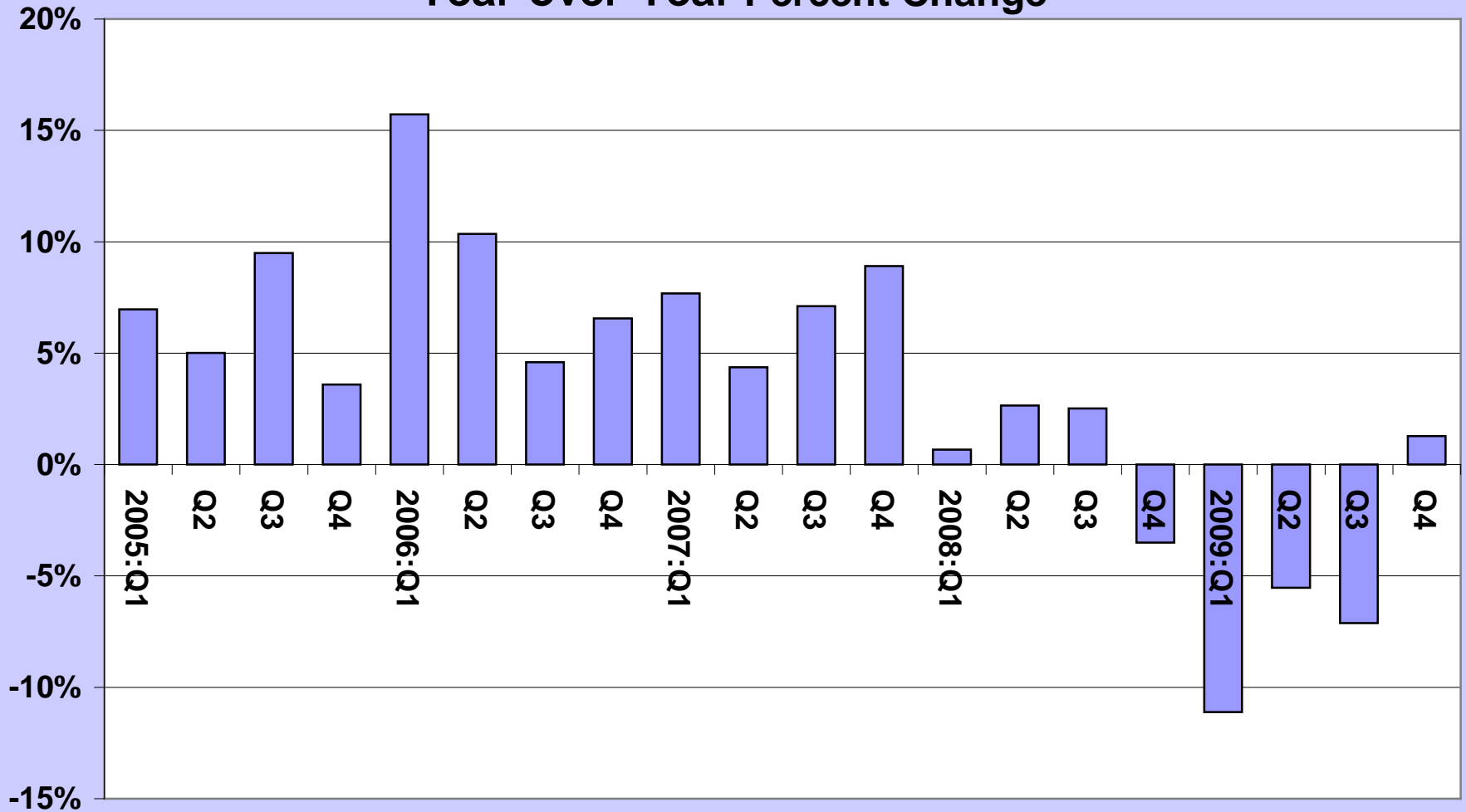
Source: California Board of Equalization and Department of Finance

# California Personal Income Quarterly Percent Change



Source: Calif. Department of Finance

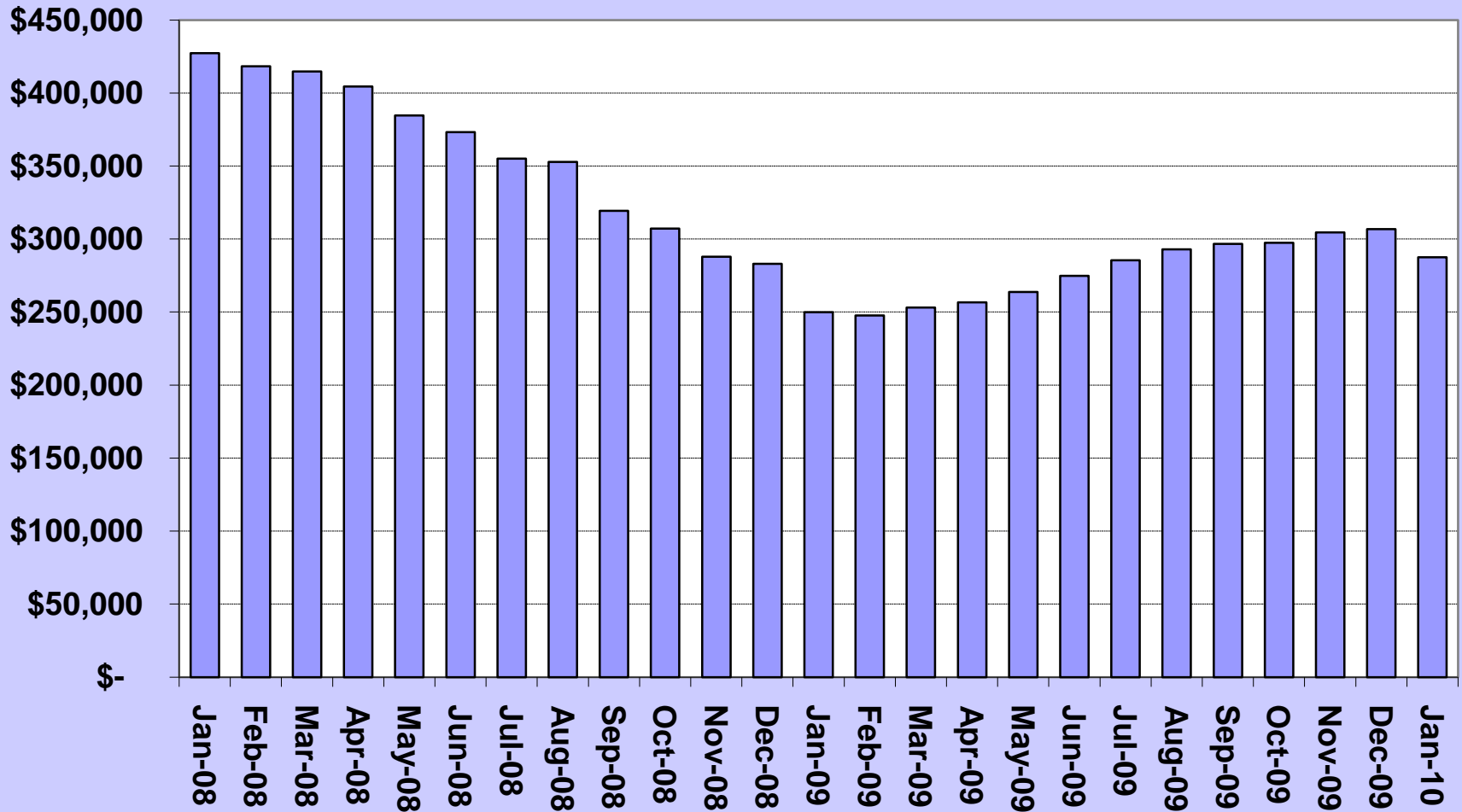
## California Withholding Year-over-Year Percent Change



Source: California Department of Finance

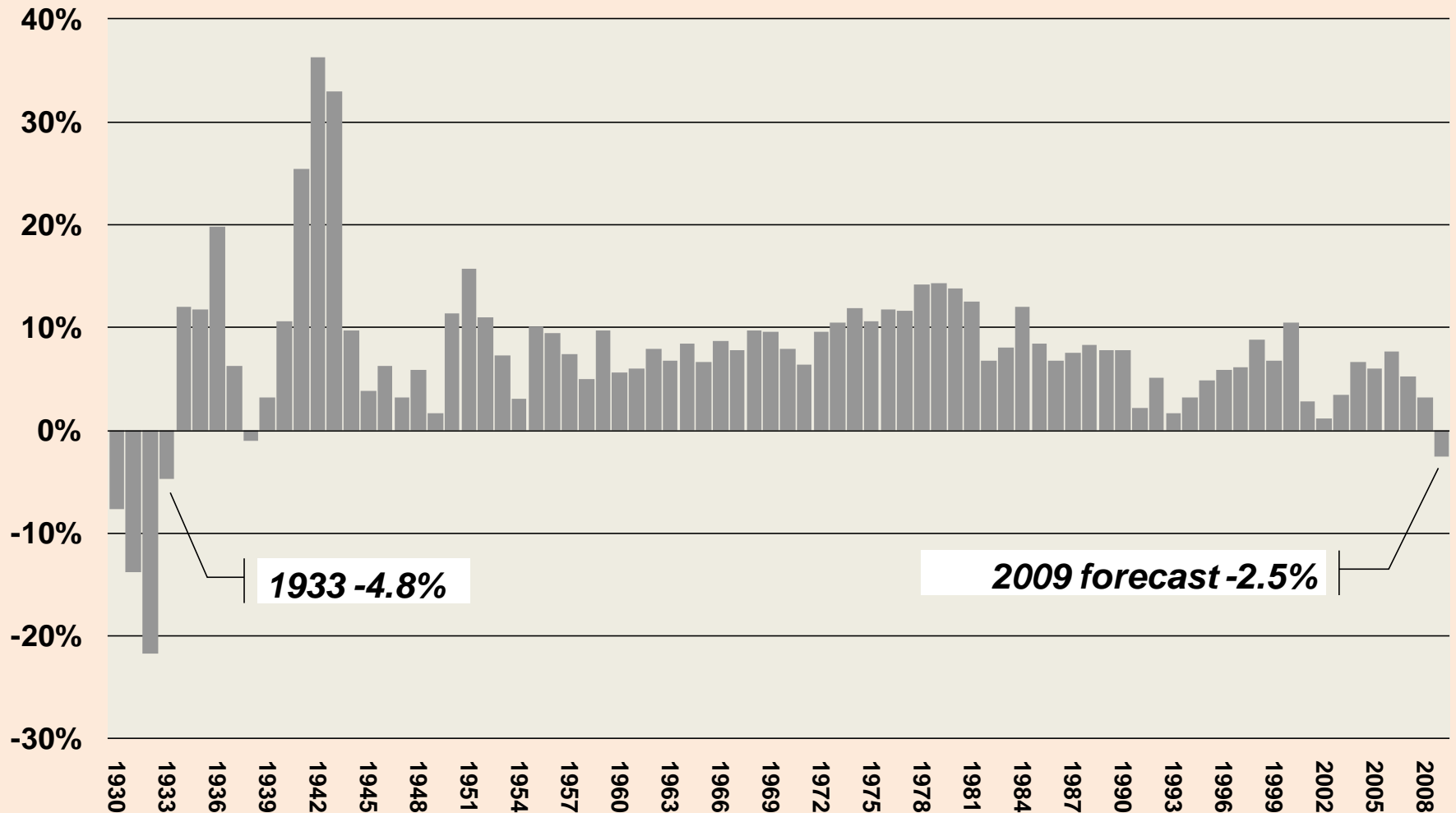


## Median Sales Price of Existing Single-Family Homes in California



Source: California Association of Realtors

# Year-over-Year Percent Change in California Personal Income



# Job Growth since the Beginning of the Recession

	Job Growth *	Rank
North Dakota	2.1%	1
Alaska	0.9%	2
South Dakota	-0.9%	3
Louisiana	-0.9%	4
Oklahoma	-1.6%	5
Texas	-1.6%	6
Nebraska	-1.6%	7
New York	-1.8%	8

	Job Growth *	Rank
Idaho	-6.3%	43
California	-6.4%	44
Oregon	-6.5%	45
Georgia	-7.0%	46
Florida	-7.7%	47
Nevada	-8.5%	48
Michigan	-9.5%	49
Arizona	-9.6%	50

\* 2007:Q4 to 2009:Q3

Source: U.S. Bureau of Labor Statistics

## Personal Income Growth since the Beginning of the Recession

	Personal Income Growth *	Rank
West Virginia	6.3%	1
Alaska	5.3%	2
North Dakota	4.7%	3
Maryland	4.1%	4
Maine	3.8%	5
New Mexico	2.6%	6
Virginia	2.5%	7
Iowa	2.5%	8

	Personal Income Growth *	Rank
Illinois	-1.4%	43
New York	-1.5%	44
Colorado	-1.7%	45
Arizona	-1.9%	46
California	-2.1%	47
Florida	-2.2%	48
Idaho	-2.5%	49
Nevada	-5.7%	50

\* 2007:Q4 to 2009:Q3

Source: U.S. Bureau of Labor Statistics

# Industries that could lead the way out of the recession

- Single-family housing
- Heavy construction
- International trade
- Tourism
- Health care
- Private education

## Selected California Economic Data

	2009 (Est.)	2010 (Projected)	2011 (Projected)
Nonfarm wage and salary employment (percent change)	14,158.2 (5.6)	14,063.1 (0.7)	14,239.5 1.3
Unemployment rate (percent)	11.6	12.0	11.2
Personal income (billions) (percent change)	1,559.0 (2.8)	1,597.2 2.4	1,654.8 3.6
Housing units authorized (thousands) (percent change)	36.3 (43.8)	60.8 67.3	101.0 66.1

Source: Governor's Budget Forecast 2010-11, California Department of Finance